



**Director of
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Page Denied

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Contents

	25X1
Western Europe: Renewed Interest in INF Proposal	2
Suriname: Pro-Cuban Minister Resigns	3
Brazil: Crucial IMF Negotiations	4
	25X1
Nicaragua-Honduras: Movement of Artillery	7
Nicaragua-Cuba: Economic Cooperation Agreement	7
	25X1
China: Death of Politburo Member	8
 Special Analyses	
USSR: Possible Shifts in the Leadership	9
	25X1

25X1

Top Secret

25X1

11 June 1983

Page Denied

Next 1 Page(s) In Document Denied

Top Secret

25X1

WESTERN EUROPE: Renewed Interest in INF Proposal

Statements by prominent West European officials supporting an informal proposal on INF made by Soviet and US negotiators in 1982 are creating a public relations problem for the West German Government but do not indicate waning support for Pershing II deployments. [redacted]

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The plan would have limited US INF deployments to 75 cruise missile launchers and 300 warheads, and the USSR to 75 SS-20s and 225 warheads. It would not have allowed Pershing II deployments in West Germany. [redacted]

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French President Mitterrand, in an address to NATO Foreign Ministers on Thursday, reaffirmed French support for NATO efforts to reestablish a nuclear balance in Europe and urged the US and the USSR to seek a compromise at Geneva. In a television interview on Wednesday, he said that the proposal made in 1982 would be a reasonable basis for an eventual agreement. He also noted that Moscow saw the Pershing II's as a threat, but he did not recommend that their deployment be scrapped. [redacted]

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West German opposition party officials Hans-Jochen Vogel and Horst Ehmke told US negotiators last week they would back INF deployments if the US stated its acceptance of the informal proposal at Geneva and it was rejected by the USSR. Press reports recently have stated that some West German officials may believe the informal arrangement could form the basis for an interim solution. Many articles suggest that the US was responsible for rejecting it. [redacted]

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Comment: Mitterrand and most French officials want basing to begin on time and expect Pershing II's to be deployed in West Germany. Officials in Bonn almost certainly fear that domestic pressure on them to support the proposal made last year may grow unless a way is found to demonstrate publicly that the US consulted the Allies and was not responsible for rejecting the proposal. [redacted]

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SURINAME: Pro-Cuban Minister Resigns

The resignation of People's Mobilization Minister Sital on Wednesday suggests that those in the leadership who advocate disengagement from Cuba are gaining influence. [redacted]

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Surinamese media reports state the pro-Cuban Sital resigned because of serious policy differences with other leaders. Sital and his followers have opposed limiting Cuba's influence as a condition for obtaining Brazilian aid. [redacted]

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Army Commander Bouterse had become increasingly suspicious of the loyalty of Sital and his associates in the military. [redacted]

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Comment: [redacted]

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[redacted] the government's continuing debate over whether to pursue closer ties with Brazil or with Cuba is likely to have been a more important reason for Sital's resignation. The debate apparently has pitted Sital and his backers against Prime Minister Alibux and his party in vying for influence with Bouterse. Alibux's group appears to be in favor of reducing ties with Cuba in order to pursue Brazil's aid offer. [redacted]

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Bouterse now seems to be leaning toward acceding to Brasilia's demand for a limited Cuban role, although he still considers himself a revolutionary. His attitude toward Cuba probably stems as much from his fear of Sital's potential to challenge him—possibly with Cuban help—as from his fear of a Brazilian threat. [redacted]

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Sital's resignation places him in a vulnerable position. If he remains in Suriname, it would indicate that he feels certain that the Cubans and his other backers would protect him. [redacted]

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BRAZIL: Crucial IMF Negotiations

Brazil has not yet provided a complete austerity package satisfactory to the IMF, resulting in mounting fears of a financial crisis and a possible debt moratorium. [REDACTED]

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President Figueiredo this week warned that tougher economic measures would be imposed soon. [REDACTED]

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An IMF team is scheduled to arrive in Brazil today. [REDACTED]

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Meanwhile, Brazil has not yet been able to obtain increased financial support from foreign banks. The government no longer has any hope of persuading recalcitrant foreign banks to expand their short-term deposits in Brazil. [REDACTED]

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Comment: The IMF is deeply concerned about Brazil's huge public-sector deficit and triple-digit inflation. It almost certainly would be disappointed with the government's unwillingness to slash state spending and to defer—at least temporarily—the indexing of wages to inflation. [REDACTED]

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Unless Brazil and the IMF reconcile their differences quickly, a debt moratorium may be declared soon. Some government officials believe such a step would force foreign banks to cooperate in restructuring Brazil's debt. [REDACTED]

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Page Denied

Next 3 Page(s) In Document Denied

Top Secret

25X1

NICARAGUA-HONDURAS: Movement of Artillery

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[REDACTED]

[REDACTED]

[REDACTED] The Sandinistas claim that they are driving the insurgents from positions near Jalapa but, for the first time, admit that the guerrillas still hold some territory. [REDACTED]

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Comment: The Sandinistas may be preparing a low-level response to continued insurgent attacks and to recent incidents in which the Honduran military has fired into Nicaragua. The Sandinistas allege the Hondurans are providing covering fire for the insurgents, and they may use the long-range artillery to shell positions in Honduras. They are emphasizing that the insurgents would not be able to hold territory without Honduran support. [REDACTED]

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NICARAGUA-CUBA: Economic Cooperation Agreement

Nicaragua and Cuba have announced a routine cooperation accord following an annual review of Havana's aid programs. The 2,000 Cuban primary schoolteachers and 600 medical personnel will remain unchanged. Cuba also will continue its assistance to Nicaraguan forestry, agricultural, and livestock development. [REDACTED]

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Comment: The agreement underscores Havana's commitment to maintain its economic assistance levels. On the other hand, a forestry development effort in the south and other aid projects may not be implemented soon, in view of the danger from rebel activities. [REDACTED]

[REDACTED]

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Top Secret

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CHINA: Death of Politburo Member

The death yesterday of Liao Chengzhi, the Politburo member responsible for Hong Kong, Taiwan, and overseas Chinese affairs, will have little impact on policy. The 75-year-old Liao, who died of heart disease, was an influential spokesman within his narrow but sensitive area of responsibility in the Politburo. He was scheduled to be named to the ceremonial post of vice president of China at the Sixth National People's Congress, which is in session. [REDACTED]

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Comment: General Secretary Hu Yaobang now has an opportunity to maneuver another ally into the Politburo. [REDACTED]

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Special Analysis

USSR: Possible Shifts in the Leadership

Supporters of General Secretary Andropov [] have confidently predicted that high-level personnel changes will be made next week at the Central Committee plenum and that the vacant presidency will be filled at the session of the Supreme Soviet scheduled to begin on Thursday. Andropov will want to demonstrate progress in putting his personal stamp on the top ruling bodies, but it is by no means certain what the political impact of the changes will be. The Soviet leader and his closest allies are elderly, and time is not on his side. Members of the party and government elite expect movement on the personnel issue, and Andropov's failure to achieve gains at this juncture would be interpreted by them as weakness. []

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The presidency has been vacant since Brezhnev died last November, and party lecturers are receiving questions from their audiences as to when the post will be filled. []

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[] Andropov would assume this position in addition to his others, as Brezhnev did. Premier Tikhonov and Defense Minister Ustinov also have been mentioned as likely candidates. []

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If Ustinov becomes president, a new defense minister will have to be appointed. According to recent rumors, the leading candidate is Ground Forces Commander in Chief Petrov. If this occurs, it would be a setback for Ogarkov, who now holds the number-two defense position as Chief of the General Staff, and further reshuffling of the military hierarchy would be likely to follow. []

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Other Key Vacancies

The recent death of Politburo member Pelshe left vacant the chairmanship of the party Control Committee. The press reports the committee has been actively involved in Andropov's discipline and anticorruption campaigns by reprimanding a deputy minister who did not respond to complaints about his work and by expelling a local official from the party for corruption. The identity of Pelshe's replacement thus could provide an indication of Andropov's current political strength. []

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Andropov particularly needs to make changes in the Secretariat, the body where he is explicitly the chief. The senior secretaries—

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those who simultaneously are full Politburo members—shape and approve every action the party takes. Currently, only Andropov, Chernenko, and Gorbachev have this dual capacity. [redacted]

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The most important vacancy in the Secretariat is a senior secretary to oversee personnel appointments. Brezhnev performed this role for Khrushchev for a time when the latter was party leader, and Kirilenko held it in the Brezhnev era. [redacted]

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Following Brezhnev's death, no senior secretary has been identified in this role for Andropov, who may be trying to handle it himself with the help of the functionary who heads the party personnel department. Until recently, this official was Ivan Kapitonov, a member of the Secretariat without Politburo rank who had served under Kirilenko and Brezhnev. The department is now run by Yegor Ligachev, a newcomer from the provinces. Ligachev could be appointed a secretary at the plenum, but Andropov would still need a secretary who is senior to attend to key national postings on his behalf. [redacted]

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At least two candidates for promotion to Politburo status are waiting in the wings. Nikolay Ryzhkov, who was elected a secretary last November and appointed head of a new economic planning department, could be appointed to the Politburo next week. Vladimir Dolgikh's duties as party secretary for industry warrant his promotion to full Politburo membership, but his reportedly cool relationship with Andropov may prevent his further advancement. [redacted]

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If Andropov becomes president, this would dispel the lingering impression that he still lacks the clout his predecessors had. Should Ustinov be selected, this would not be read as a setback for Andropov because the two are widely regarded as close. Continued failure to fill the presidency might be the most damaging to Andropov, since this would convey an impression of dissension or vacillation in the leadership. [redacted]

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High-Level Resistance

Andropov still has to deal with holdovers from the Brezhnev regime who stand in the way of consolidation of his power. [redacted]

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Whatever the issue, Chernenko and Tikhonov do represent the potential for providing an alternative policy approach. This is a source of reassurance to other members of the leadership. Some recent rumors have indicated that both Chernenko and Tikhonov will be retired next week. Nonetheless, their recent political prominence suggests that the best Andropov might be able to accomplish is to push them into less powerful positions.

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A Political Watershed

Andropov clearly has to make a number of leadership changes at this time. From all indications, the meetings next week will be a turning point in his tenure as General Secretary.

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The history of the Brezhnev and Khrushchev regimes suggests, however, that some changes made at this stage in a succession environment will be compromises offering no clear-cut benefit to any political alignment. Some of the changes actually may benefit Andropov's opposition, while others are likely to be deferred.

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Page Denied

Next 1 Page(s) In Document Denied

Page Denied

Top Secret

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